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E-filed 2/21/06

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Attorneys for Plaintiff
MANANA WOODS MUTUAL WATER COMPANY

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

MANANA WOODS MUTUAL WATER
COMPANY,

Plaintiff,

v.

BP EXPLORATION & OIL, INC.; TOSCO
CORPORATION; UNION OIL COMPANY
OF CALIFORNIA; EQUILON
ENTERPRISES, LLC; SHELL OIL
COMPANY; AND CHEVRON U.S.A. INC.,

Defendants.

Case No. C 00-20564 JF

JOINT CASE MANAGEMENT
CONFERENCE STATEMENT AND
REQUEST TO CONTINUE CASE
MANAGEMENT CONFERENCE

Date: March 10, 2006

Time: 10:30 a.m.

Telephone

Appearances: Manana Woods; Shell Oil
Company; Tosco Corporation; Union Oil
Company of California; Chevron USA Inc.;
BP Exploration & Oil, Inc.

Counsel for Plaintiff and Defendants jointly submit this Case Management Conference
Statement and request to continue Case Management Conference.

I. INTRODUCTION

As previously reported, the parties executed a settlement agreement in this case effective
January 9, 2002. The settlement is contingent on meeting certain conditions which are not

1 entirely within the control of the parties. The parties have agreed to continued short-term stays of
2 the litigation provided that diligent progress is being made to meet the conditions of the
3 settlement. Assuming all the conditions are satisfied, Plaintiff will then dismiss its complaint
4 with prejudice against all Defendants.

5 **II. RECENT PROGRESS**

6 One of the key conditions subsequent to the parties' settlement is that an agreement be
7 reached within a reasonable time for the San Lorenzo Valley Water District ("SLVWD"), a non-
8 party public entity, to provide permanent water service to the residents of Manana Woods
9 (annexation agreement). As previously reported, the parties and SLVWD met this condition after
10 the SLVWD Board of Directors voted unanimously to approve the annexation agreement on
11 March 17, 2005. Following SLVWD approval, SLVWD's General Manager and all parties
12 executed the annexation agreement.

13 The final condition subsequent to the parties' settlement is to obtain approval from the
14 Santa Cruz Local Agency Formation Commission ("LAFCO") for SLVWD to annex the existing
15 customers of Manana Woods to SLVWD's service area. On June 3, 2005, SLVWD submitted an
16 application to LAFCO for consideration and approval of the annexation of Manana Woods to
17 SLVWD's service area. On October 25, 2005, LAFCO's Executive Officer issued a notice of the
18 proposed annexation to public agencies and potentially interested parties. LAFCO staff
19 subsequently conducted environmental review of the proposed annexation, in accordance with
20 the California Environmental Quality Act, and prepared a Negative Declaration which concluded
21 that the annexation would not have any environmental impacts.

22 On February 1, 2006, LAFCO held a duly noticed public hearing to consider the proposed
23 annexation of Manana Woods to SLVWD's service area. A number Manana Woods' residents
24 spoke in favor of the proposed annexation, as did the General Managers of both SLVWD and the
25 adjacent Scotts Valley Water District. At the conclusion of the public hearing, the LAFCO
26 Commissioners voted unanimously to approve the annexation.

27 Following LAFCO approval, there is a 30-day period in which any interested party may
28 file a request for reconsideration by LAFCO. If no request for reconsideration is filed, or if a

request is filed and subsequently rejected, the LAFCO Executive Officer will provide notice to the registered voters and property owners at Manana Woods regarding their right to protest the annexation. If either 25% of the registered voters or 25% of the property owners file a protest, then an election would be held in Manana Woods on the question of the annexation. If a sufficient protest is not filed, the LAFCO Executive Officer and SLVWD will complete the paperwork to record the annexation.

Assuming the LAFCO approval becomes final, the Defendants will be required to deposit certain funds into an existing escrow account, in accordance with the settlement agreement and annexation agreement. Plaintiff will then dismiss its complaint with prejudice against all Defendants.

The parties request that the Court continue the present stay and continue the case management conference to June 9, 2006, or as soon thereafter as may be convenient to the Court. The parties expect that, if a request for reconsideration or sufficient protest is not filed with LAFCO, this action may be dismissed prior to that date.

Respectfully submitted,

DATED: February 15, 2006

BARG, COFFIN, LEWIS & TRAPP, LLP

By: /s/ Marc A. Zeppetello
 MARC A. ZEPPELLO, ESQ.
 Attorneys for Plaintiff
 Manana Woods Mutual Water Company

DATED: February 15, 2006

SEDGWICK, DETERT, MORAN & ARNOLD

By: /s/ Scott D. Mroz
 SCOTT D. MROZ, ESQ.
 Attorneys for Defendant
 Shell Oil Company

1 DATED: February 15, 2006

HOGUE, FENTON, JONES & APEL

2
3
4 By: /s/ Stewart Stone
5 STEWART STONE, ESQ.
6 Attorneys for Defendants
7 Tosco Corporation and Union Oil Company of
8 California

9 DATED: February 15, 2006

ARNOLD & PORTER

10 By: /s/ Lawrence Cox
11 LAWRENCE COX, ESQ.
12 Attorneys for Defendant
13 BP Exploration & Oil, Inc.

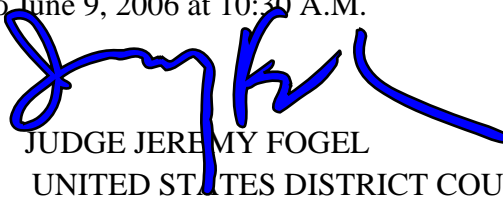
14 DATED: February 15, 2006

LAW OFFICES OF ROBERT GOODMAN

15 By: /s/ Robert Goodman
16 ROBERT GOODMAN, ESQ.
17 Attorneys for Defendant
18 Chevron U.S.A., Inc.

19 2/21/06 IT IS SO ORDERED.

20 The Case Management Conference is continued to June 9, 2006 at 10:30 A.M.

21 
22 JUDGE JEREMY FOGEL
23 UNITED STATES DISTRICT COURT
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PROOF OF SERVICE BY UNITED STATES MAIL

I, Anna Fuller, declare that I am over the age of eighteen years and not a party to this action. I am an employee of Barg Coffin Lewis & Trapp, LLP ("the Firm") and my business address is One Market, Steuart Tower, Suite 2700, San Francisco, CA 94105-1475.

On February 15, 2006, I served the following document in this cause:

**JOINT CASE MANAGEMENT CONFERENCE STATEMENT AND REQUEST TO
CONTINUE CASE MANAGEMENT CONFERENCE**

By placing a copy thereof in envelopes bearing the names and addresses of the persons to be served as shown below. I am readily familiar with the Firm's practice for collection and processing of correspondence for mailing with the United States Postal Service ("Postal Service"). Pursuant to that practice, correspondence which is placed for collection and mailing with the Postal Service during regular business hours on a given date is deposited with the Postal Service on that same date in the ordinary course of business. On the above date during regular business hours, I sealed the above described envelopes and placed them for collection and mailing with the Postal Service, postage prepaid, in accordance with the Firm's ordinary business practice described above.

SEE ATTACHED SERVICE LIST

I declare under penalty of perjury, under the laws of the State of California that the foregoing is true and correct. Executed on February 15, 2006, at San Francisco, California.

/s/ Anna Fuller

ANNA FULLER

Service List

Manana Woods Mutual Water Company v. BP Exploration & Oil, Inc., et al

United States District Court, Northern District, San Jose Division

Case No. C 00-20564 JF

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